

Department of Defense

FAMILY HOUSING, DEFENSE-WIDE

FY 2000 Budget Estimates

Justification Data Submitted To Congress

February 1999

**FAMILY HOUSING, DEFENSE-WIDE
FY 2000 BUDGET ESTIMATES**

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**PROGRAM SUMMARY
FAMILY HOUSING, DEFENSE-WIDE
FY 2000**

(Dollars in Thousands)

	<u>NSA</u>	<u>DIA</u>	<u>DLA</u>	<u>Total</u>
New Construction	-	-	-	-
Improvements	50	-	-	-
Planning and Design	-	-	-	-
Subtotal Construction	50	-	-	50
Operation	1,029	3,401	757	5,187
Leasing	13,374	22,265	-	35,639
Maintenance	244	-	370	614
Subtotal O&M	14,647	25,666	1,127	41,440
Reimbursable Program	-	3,100	-	3,100
Total Program	14,697	28,766	1,127	44,590
Appropriation Request	14,697	25,666	1,127	41,490

**APPROPRIATION LANGUAGE
FAMILY HOUSING, DEFENSE-WIDE
FY 2000**

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, leasing, and minor construction, as authorized by law, as follows: for Construction, \$50,000 to remain available until September 30, 2004; for Operation and Maintenance, \$41,440,000; in all \$41,490,000.

Further, for the foregoing purposes, \$43,313,000 to become available on October 1, 2000, of which \$50,000 for Construction, to remain available until September 30, 2005; and \$43,263,000 for Operation and Maintenance, and debt payment.

**POST ACQUISITION CONSTRUCTION SUMMARY
FAMILY HOUSING, DEFENSE-WIDE
FY 2000**

The Improvements program will replace front doors and frames on 27 NSA family housing units at RAF Menwith Hill, England

1. COMPONENT NSA/CSS Defense	FY 2000 MILITARY CONSTRUCTION PROGRAM						2. DATE			
3. INSTALLATION AND LOCATION RAF Menwith Hill, England			4. COMMAND NSA/CSS				5. AREA CONSTRUCTION COST INDEX			
6. PERSONNEL STRENGTH: A. AS OF: Sep 99 B. END FY 19	PERMANENT			STUDENTS			SUPPORTED			TOTAL
	OFFICER	ENLIST	CIVIL	OFFICER	ENLIST	CIVIL	OFFICER	ENLIST	CIVIL	
		251	273							524
CLASSIFIED										

7. INVENTORY DATA (\$000)

A. TOTAL AREA
B. INVENTORY TOTAL AS OF 50
C. AUTHORIZATION NOT YET IN INVENTORY
D. AUTHORIZATION REQUESTED IN THIS PROGRAM
E. AUTHORIZATION INCLUDED IN FOLLOWING PROGRAM
F. PLANNED IN NEXT THREE YEARS
G. REMAINING DEFICIENCY
H. GRAND TOTAL

8. PROJECTS REQUESTED IN THIS PROGRAM:

CATEGORY CODE	PROJECT TITLE	SCOPE	COST (\$000)	DESIGN STATUS	
				START	COMPLETE
	Replacement of Front Doors on Family Housing Units	27 Units	\$50	Oct 99	Sep 00

9. FUTURE PROJECTS:

Included in the FY01:
Married Family Housing Upgrade \$50

Point of Contact: Mr. Oswaldo Garcia
Chief, Installations and Housing

1. Component NSA/CSS Defense	FY 2000 MILITARY CONSTRUCTION PROJECT DATA	2. DATE		
3. INSTALLATION AND LOCATION RAF Menwith Hill, England		4. PROJECT TITLE Married Family Housing Upgrade		
5. PROGRAM ELEMENT 0808742g	6. CATEGORY CODE	7. PROJECT NUMBER		
		8. PROJECT COST (\$000) \$50		
9. COST ESTIMATES				
ITEM	U/M	QUANTITY	UNIT COST	COST (\$000)
Replacement of Front Doors for 27 Married Family Housing Units		27	\$1850	\$50
<p>10. DESCRIPTION OF PROPOSED CONSTRUCTION</p> <p>This project will provide replacement front doors and frames to approximately 27 married Family Housing units, to replace existing defective doors and frames.</p> <p>11. REQUIREMENT: To install new P.V.C.U. doors and frames.</p> <p>Current Situation: The existing doors are past their economical life span. All show signs of timber decay and are in need of replacement.</p> <p>Impact if Not Provided: If the doors and frames are not replaced, they will decay further, which will render them unsecure and inoperable.</p> <p>Mr. Oswaldo Garcia Chief, Installations and Housing 940-7204s</p>				

**OPERATION AND MAINTENANCE SUMMARY
FAMILY HOUSING, DEFENSE-WIDE
FY 2000**

The Operation and Maintenance portions of the family housing program include maintenance and repair of government-owned housing units and associated real property; utility services; repair, replacement, transportation and handling of furniture and furnishings; refuse collection and disposal services; management services; and other miscellaneous support. Furnishings support for members of the Defense Attaché System are also included. The costs for leasing family housing units are separately addressed.

OPERATION AND MAINTENANCE SUMMARY
FAMILY HOUSING, DEFENSE-WIDE
(Excludes Leased Units and Costs)

	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>	
<u>Inventory Data</u>						
Units in Being Beginning of Year	418		418		418	
Units in Being End of Year	418		418		418	
Average Inventory for Year	418		418		418	
Units Requiring O&M Funding						
a. Conterminous U.S.	213		213		213	
b. U.S. Overseas	205		205		205	
c. Foreign	-		-		-	
d. Worldwide	418		418		418	
	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>	
	<u>Actual</u>		<u>Estimate</u>		<u>Request</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost*	Cost	Cost*	Cost	Cost*	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>Funding Requirements</u>						
1. Operation						
a. Management	746	312	751	314	751	314
b. Services	1,014	424	971	406	813	340
c. Furnishings	6,423	2,685	6,900	2,884	9,689	4,050
d. Miscellaneous	156	65	1,758	735	120	50
Subtotal-Gross Obligations	8,340	3,486	10,380	4,339	11,373	4,754
Anticipated Reimbursements	321	134	1,148	480	1,187	496
Direct Obligations-Operation	8,019	3,352	9,232	3,859	10,187	4,258
2. Utilities Operation	1,799	752	2,091	874	2,222	929
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Utilities	1,799	752	2,091	874	2,222	929
3. Maintenance						
a. M&R Dwellings	3,825	1,599	2,273	950	1,354	566
b. M&R Exterior Utilities	12	5	12	5	14	6
c. M&R Other Real Property	268	112	170	71	98	41
d. Alterations & Additions	12	5	2	1	2	1
Subtotal-Gross Obligations	4,117	1,721	2,457	1,027	1,469	614
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Maintenance	4,117	1,721	2,457	1,027	1,469	614
Grand Total O&M	13,935	5,825	13,780	5,760	13,878	5,801

*Based on number of units requiring O&M funding.

**NATIONAL SECURITY AGENCY
FAMILY HOUSING, DEFENSE-WIDE
PROGRAM SUMMARY
FY 2000**

(Dollars in Thousands)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
New Construction	-	-	-
Improvements	50	50	50
Planning and Design	-	-	-
Construction Subtotal	50	50	50
Operations	576	1,286	514
Utilities	434	450	515
Maintenance	1,236	496	244
Leasing	10,324	12,292	13,374
O&M Subtotal	12,570	14,524	14,647
Reimbursable Program	-	-	-
Total Program	12,570	14,524	14,647

**NATIONAL SECURITY AGENCY
FAMILY HOUSING, DEFENSE-WIDE
Operation and Maintenance Summary
(Excludes Leased Units and Costs)**

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>			
<u>Inventory Data</u>						
Units in Being Beginning of Year	205	205	205			
Units in Being End of Year	205	205	205			
Average Inventory for Year	205	205	205			
Units Requiring O&M Funding						
a. Conterminous U.S.						
b. U.S. Overseas	205	205	205			
c. Foreign						
d. Worldwide						
	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost*	Cost	Cost*	Cost	Cost*	Cost
	(\$)	(\$000)	(\$)	(\$000)	(\$)	(\$000)
<u>Funding Requirements</u>						
1. Operations						
a. Management	381	78	341	70	327	67
b. Services	1,751	359	1,732	355	1,297	265
c. Furnishings	361	74	615	126	644	132
d. Miscellaneous	317	65	3,585	735	244	50
Subtotal-Gross Obligations	2,810	576	6,273	1,286	2,512	514
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Operations	2,810	576	6,273	1,286	2,512	514
2. Utilities Operations	2,117	434	2,195	450	2,512	515
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Utilities	2,117	434	2,195	450	2,512	515
3. Maintenance						
a. M&R Dwellings	6,005	1,231	2,396	491	1,166	239
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	24	5	24	5	24	5
d. Alterations & Additions	-	-	-	-	-	-
Subtotal-Gross Obligations	6,029	1,236	2,420	496	1,190	244
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Maintenance	6,029	1,236	2,420	496	1,190	244
Grand Total O&M	10,956	2,246	10,888	2,232	6,214	1,273

*Based on number of units requiring O&M funding.

**NATIONAL SECURITY AGENCY
FAMILY HOUSING DEFENSE-WIDE
Operation and Maintenance**

The Operation portion of the family housing program for NSA includes maintenance, repair and replacement of furnishings; utility services; refuse collection and disposal; and administrative support at the installation level. Leasing costs are covered separately.

The Maintenance portion includes maintenance and repair of buildings and related utilities systems, and other incidental improvements, including minor alteration and addition.

Reconciliation of Increases and Decreases

Operation

1.	FY 1999 President's Budget Request	1,286
2.	Price Growth	
	a. Inflation	+19
	b. Foreign Currency Change	0
3.	Program Decrease	
	a. Due to anticipated lower operations costs	-791
4.	FY 2000 President's Budget Request	514

Utilities

1.	FY 1999 President's Budget Request	450
2.	Price Growth	
	a. Inflation	+7
	b. Foreign Currency Change	0
3.	Program Increase	
	. Due to increase in number of leased units	+58
4.	FY 2000 President's Budget Request	515

Maintenance

1.	FY 1999 President's Budget Request	496
2.	Price Growth	
	a. Inflation	7
	b. Foreign Currency Change	0
3.	Program Decrease	
	a. Due to early completion of projects in FY98	-259
4.	FY 2000 President's Budget Request	244

**DEFENSE INTELLIGENCE AGENCY
FAMILY HOUSING, DEFENSE-WIDE
PROGRAM SUMMARY
FY 2000**

(Dollars in Thousands)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
New Construction	-	-	-
Improvements	-	-	-
Planning and Design	-	-	-
Construction Subtotal	-	-	-
Operations	2,357	2,153	3,401
Utilities	-	-	-
Maintenance	-	-	-
Leasing	16,132	18,847	22,265
O&M Subtotal	18,489	21,000	25,666
Reimbursable Program	856	3,000	3,100
Total Program	19,345	24,000	28,766

One of the missions of the Defense Intelligence Agency (DIA) is the Defense Attaché System. The missions of the Defense Attaché System are to: (1) observe and report military and politico-military information; (2) represent the DOD and the military services; (3) administer military assistance programs and foreign military sales as directed; and (4) advise the U.S. Ambassador on military and politico-military matters. These missions are accomplished through the Defense Attaché Offices, which are organic elements of the U.S. Diplomatic Missions.

Housing of the attaches and their support staff is controlled by the U.S. Embassy housing board at a level of expense and square footage that is equivalent to their Department of State counterparts.

The DIA's Budget Submission for the FY 2000 Family Housing Program funds 400 government leases (of which 147 are high cost leases) at Defense Attaché Offices (DAO) worldwide. These funds provide for all lease costs which include utilities, residential protection services, custodial and fire protection services, furnishings and appliances, maintenance and repair of furnishings and appliances, and administrative services performed by the Department of State under the International Cooperative Administrative Support services (ICASS) and Memoranda of Understanding.

**DEFENSE INTELLIGENCE AGENCY
FAMILY HOUSING, DEFENSE-WIDE
Operation and Maintenance Summary
(Excludes Leased Units and Costs)**

<u>Inventory Data</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
Units in Being Beginning of Year	-	-	-
Units in Being End of Year	-	-	-
Average Inventory for Year	-	-	-
 Units Requiring O&M Funding			
a. Conterminous U.S.	-	-	-
b. U.S. Overseas	-	-	-
c. Foreign	-	-	-
d. Worldwide	-	-	-

Note: All DIA family housing units are leased.

	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>	
	Unit Cost* (\$)	Total Cost (\$000)	Unit Cost* (\$)	Total Cost (\$000)	Unit Cost* (\$)	Total Cost (\$000)
<u>Funding Requirements</u>						
1. Operations						
a. Management	-	-	-	-	-	-
b. Services	-	-	-	-	-	-
c. Furnishings	41	2,491	41	2,633	42	3,897
d. Miscellaneous	-	-	-	-	-	-
Subtotal-Gross Obligations	41	2,491	41	2,633	42	3,897
Anticipated Reimbursements	-	(134)	-	(480)	-	(496)
Direct Obligations-Operations	41	2,357	41	2,153	42	3,401
 2. Utilities Operations						
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Utilities	-	-	-	-	-	-
 3. Maintenance						
a. M&R Dwellings	-	-	-	-	-	-
b. M&R Exterior Utilities	-	-	-	-	-	-
c. M&R Other Real Property	-	-	-	-	-	-
d. Alterations & Additions	-	-	-	-	-	-
Subtotal-Gross Obligations	-	-	-	-	-	-
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Maintenance	-	-	-	-	-	-
 Grand Total O&M	41	2,357	41	2,153	42	3,401

*Based on number of units requiring O&M funding.

**DEFENSE INTELLIGENCE AGENCY
FAMILY HOUSING, DEFENSE-WIDE
Operation and Maintenance**

The FY 2000 Family Housing Operations expenses for DIA include the purchase, transportation, maintenance, and repair of furniture and appliances for members of the Defense Attaché System.

Reconciliation of Increases and Decreases

<u>Operations</u>	<u>(\$000)</u>
FY 1999 President's Budget Request	2,153
FY 1999 Appropriated Amount	2,153
Price Growth (Inflation)	32
Program Increases	
a. Program increase due to increased requirements for furniture, appliances to include generators and shipping costs to the established DAOs and the new DAOs opening in FY 2000.	1,216
Program Decreases	
a.	0
FY 2000 President's Budget Request	3,401

**DEFENSE LOGISTICS AGENCY
FAMILY HOUSING, DEFENSE-WIDE
PROGRAM SUMMARY
FY 2000**

(Dollars in Thousands)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>
New Construction	4,850	295	-
Improvements	-	-	-
Planning and Design	50	-	-
Construction Subtotal	4,900	295	-
Operations	419	420	343
Utilities	318	424	414
Maintenance	485	531	370
Leasing	-	-	-
O&M Subtotal	1,222	1,375	1,127
Reimbursable Program	-	-	-
Total Program	6,122	1,670	1,127

DLA's current family housing inventory includes 213 units. These units are located at two Supply Centers and one Defense Distribution Center. With the exception of 30 completely renovated units at Defense Distribution Center (DDC) West Coast location in FY 89, 18 were built in 1975 and 1976, and the other 195 units were built prior to 1960. Of the 195 units, 141 are undergoing a major renovation in a three-phase post acquisition construction project at Defense Distribution Center (DDC) East Coast location.

The FY 1999 budget supports routine operation requirements including management costs, utility costs, and replacement of appliances. In addition, FY 1999 supports routine maintenance requirements including re-roofing units, repairing sewer line, landscaping and painting unit interior. The budget also includes post acquisition minor construction funding for the Defense Supply Center Richmond (DSCR) and the Defense Distribution Center (DDC) West Coast location.

In FY 2000 the DLA Family Housing budget request supports routine operation, maintenance and repair efforts which includes replacement of bathroom plumbing, vanities, tubs, toilets, and floors. The request also supports replacement of sidewalks, heating/air conditioning units, interior electrical wiring, carpeting and interior painting of 1950 vintage housing units.

**DEFENSE LOGISTICS AGENCY
FAMILY HOUSING, DEFENSE-WIDE
Operation and Maintenance Summary
(Excludes Leased Units and Costs)**

	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>	
<u>Inventory Data</u>						
Units in Being Beginning of Year	213		213		213	
Units in Being End of Year	213		213		213	
Average Inventory for Year	213		213		213	
Units Requiring O&M Funding						
a. Conterminous U.S.	213		213		213	
b. U.S. Overseas						
c. Foreign						
d. Worldwide						
	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>	
	Unit	Total	Unit	Total	Unit	Total
	Cost*	Cost	Cost*	Cost	Cost*	Cost
	<u>(\$)</u>	<u>(\$000)</u>	<u>(\$)</u>	<u>(\$000)</u>	<u>(\$)</u>	<u>(\$000)</u>
<u>Funding Requirements</u>						
1. Operations						
a. Management	1,098	234	1,145	244	1,160	247
b. Services	304	65	241	51	353	75
c. Furnishings	565	120	585	125	98	21
d. Miscellaneous	-	-	-	-	-	-
Subtotal-Gross Obligations	1,967	419	1,971	420	1,611	343
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Operations						
2. Utilities Operations						
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Utilities	1,493	318	1,991	424	1,943	414
3. Maintenance						
a. M&R Dwellings	1,729	368	2,155	459	1,533	327
b. M&R Exterior Utilities	25	5	25	5	30	6
c. M&R Other Real Property	500	107	310	66	169	36
d. Alterations & Additions	23	5	5	1	5	1
Subtotal-Gross Obligations	2,277	485	2,493	531	1,737	370
Anticipated Reimbursements	-	-	-	-	-	-
Direct Obligations-Maintenance	2,277	485	2,493	531	1,737	370
Grand Total O&M	5,737	1,222	6,455	1,375	5,291	1,127

*Based on number of units requiring O&M funding.

**DEFENSE LOGISTICS AGENCY
FAMILY HOUSING, DEFENSE-WIDE
Operation and Maintenance**

OPERATION - Includes refuse collection and disposal, snow removal, entomological services, custodial services, street cleaning, moving and handling of government-owned furnishings, and maintenance, repair, and replacement of household equipment. Operations also include management costs. These are costs associated with family housing administration. These costs include salaries, fringe benefits, training, supplies and equipment required to support the management personnel and to operate the housing office.

UTILITIES - In FY 2000 we continue to execute projects to reduce utilities costs by at least 2 percent each year. Projects supporting this effort include replacing oil-fired furnaces with gas-fired furnaces and heating pumps; insulating walls and ceilings to meet current energy standards; replacing old leaking plumbing; replacing water heaters and kitchen appliances; repairing sewage lines and issuing new tenants guidelines on "How to Save Energy in Family Housing." These projects are instrumental to reduction initiatives, which enable compliance with the energy efficiency goals outlined in Executive Order 12759.

MAINTENANCE - Our request for FY 2000 includes a modest number of maintenance and repair projects for dwellings, other real property, and alterations and additions to upgrade our family housing units. Maintenance includes, carpet replacement, water heaters, interior painting, refinishing floors, and replacing sidewalks throughout the housing complex.

The Operations and Maintenance requirement for FY 2000 has declined by 18% from our FY 1999 request. This decline is mostly attributed to our Whole House Renovation Project at our Defense Distribution Center (DDC), New Cumberland, PA. The project at DDC is being completed in three phases to renovate junior enlisted, senior enlisted and officer quarters. Due to the phasing of the project operations, utilities and maintenance costs are reduced.

Reconciliation of Increases and Decreases

<u>Operations</u>	<u>(\$000)</u>
FY 1999 President's Budget Request	420
FY 1999 Appropriated Amount	420
Price Growth	
a. Inflation	7
Program Increases	
a.	-
Program Decreases	
a. Furnishings- moving/handling, maintenance, replacement, initial issue (DDC)	(84)
FY 2000 President's Budget Request	343
 <u>Utilities</u>	 <u>(\$000)</u>
FY 1999 President's Budget Request	424
FY 1999 Appropriated Amount	424
Price Growth	
a. Inflation	7
Program Increases	
a.	-
Program Decreases	
a. Units under renovation (DDC)	(17)
FY 2000 President's Budget Request	414
 <u>Maintenance</u>	 <u>(\$000)</u>
FY 1999 President's Budget Request	531
FY 1999 Appropriated Amount	531
Price Growth	
a. Inflation	8
Program Increases	
a.	-
Program Decreases	
a. Phasing of Whole House Renovation Project (DDC)	(148)
b. Reduction of Maintenance & Repair Dwelling & Other Real Property (DSCC)	(21)
FY 2000 President's Budget Request	370

**LEASING SUMMARY
FAMILY HOUSING, DEFENSE-WIDE
FY 2000**

The FY 2000 leasing request by agency is as follows:

	<u>FY 1998</u>		<u>FY 1999</u>		<u>FY 2000</u>	
	<u>Actual</u>		<u>Estimate</u>		<u>Request</u>	
	<u>Total</u>	<u>No</u>	<u>Total</u>	<u>No.</u>	<u>Total</u>	<u>No.</u>
	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Units</u>	<u>Cost</u>	<u>Units</u>
	<u>(\$000)</u>		<u>(\$000)</u>		<u>(\$000)</u>	
National Security Agency	10,324	500	12,292	554	13,374	567
Defense Intelligence Agency:						
Gross Obligations	16,854	350	21,367	350	24,869	400
Reimbursements	722		2,520		2,604	
Direct Obligations	16,132	350	18,847	350	22,265	400
Total Appropriation	26,456	850	31,139	904	35,639	967

The Defense Agency leases are located exclusively overseas, in many cases at remote locations where housing comparable to western standards is nonexistent or scarce. Leasing in areas where suitable housing is in short supply is very expensive which accounts for the fact that the bulk of the high cost leases are concentrated in the Defense Agencies. These lease units support both activities in classified locations and the Defense Attaché System. Host government restrictions, security requirements, and safety and health improvements add additional costs to these leases in many locations. Detailed justification by agency is provided on the following pages.

**NATIONAL SECURITY AGENCY
FAMILY HOUSING DEFENSE-WIDE
Analysis of Leased Units
FY 2000**

<u>Location</u>	<u>Units Auth.</u>	<u>FY 1998 Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>	<u>FY 1999 Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>	<u>FY 2000 Lease Months</u>	<u>Cost (\$000)</u>
Domestic Leases:									
None									
Foreign Leases:									
Standard	284	3,408	5,396	335	4,020	7,036	342	4,104	7,525
Special Crypto Activities	216	2,592	4,928	219	2,628	5,256	225	2,700	5,849
Total Foreign Leases	500	6,000	10,324	554	6,648	12,292	567	6,804	13,374
Grand Total									

**NATIONAL SECURITY AGENCY
FAMILY HOUSING, DEFENSE-WIDE
Leasing
FY 2000**

Reconciliation of Increases and Decreases

<u>Leasing</u>	<u>(\$000)</u>
FY 1999 President's Budget Request	12,292
FY 1999 Appropriated Amount	12,292
Price Growth	+184
Program Increases	
a. Increased number of leased units and variation in overseas lease costs	+898
FY 2000 President's Budget Request	13,374

**DEFENSE INTELLIGENCE AGENCY
FAMILY HOUSING DEFENSE-WIDE
Analysis of Leased Units
FY 2000**

<u>Location</u>	<u>Units Auth.</u>	<u>FY 1998 Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>	<u>FY 1999 Lease Months</u>	<u>Cost (\$000)</u>	<u>Units Auth.</u>	<u>FY 2000 Lease Months</u>	<u>Cost (\$000)</u>
Domestic Leases:									
None									
Foreign Leases:									
Classified Locations* Reimbursable	350	3,748	16,854 (722)	350	3748	21,367 (2,520)	400	4348	24,869 (2,604)
Total Foreign Leases	350	3,748	16,132	350	3748	18,847	400	4348	22,265
Grand Total	350	3,748	16,132	350	3748	18,847	400	4348	22,265

*Due to the sensitive nature of this information, country detail, to include lease months, can be provided to the committee through channels.

**DEFENSE INTELLIGENCE AGENCY
FAMILY HOUSING, DEFENSE-WIDE
Leasing**

An important element of DIA's mission is the operation and management of the DAS which, in FY 2000, will consist of about **127** DAOs located at U.S. embassies in capital cities around the world. In response to recent world events, a five-year program has been approved to open 22 new DAOs. In FY 2000 at least five new DAOs will be opened. In addition to these new DAOs the FY 2000 budget request provides for an increase to the Leasing account. The funds added starting in FY 1998 will fix the funding shortfalls created by the unplanned inflation and high lease costs in the Commonwealth of Independent States (CIS) as well as the opening of the 22 new DAOs.

Reconciliation of Increases and Decreases

<u>Leasing</u>	<u>(\$000)</u>
FY 1999 President's Budget Request	18,847
FY 1999 Appropriated Amount	18,847
Price Growth (Inflation)	283
Program Increases	
a. Increased lease cost above inflation to include opening of 22 new DAOs.	805
b. Costs associated with ICASS	2,330
Program Decreases	
a.	0
FY 2000 President's Budget Request	22,265

**FAMILY HOUSING IMPROVEMENT FUND
(FHIF)
PROGRAM SUMMARY**

In 1996 Congress provided the Department with significant new authorities to use private expertise and capital to accelerate improvement of government-owned housing and help us eliminate a serious shortage of quality affordable housing available to service members and their families. The Department has worked diligently over the past three years to learn how to most efficiently use these authorities. Two Navy projects have been awarded and today sailors are occupying those units in Corpus Christi, Texas and Everett, Washington. Last August the Air Force awarded a project at Lackland AFB, Texas for 420 housing units. The project was financed with \$7 million transferred from the Air Force Family Housing Construction Account into the Family Housing Improvement Fund (FHIF). The Navy is currently evaluating proposals for a housing privatization project at Marine Corps Logistics Base in Albany, Georgia. The successful offeror will construct, own, manage, and maintain 114 to 160 new housing units. The Fort Carson project was ready for award in FY 1998 but was resolicited due to a successful bid protest and is now expected to be ready for award in late FY 1999. The Fort Carson project will be financed with a fund transfer similar to the Lackland project.

The FHIF was established with an initial appropriation of \$22 million and authority to transfer family housing construction appropriations into the account for selected projects after notification to Congress. An additional \$25 million was appropriated in FY 1997 and \$2 million was appropriated in FY 1999.

Since FY 1996 the Department has used \$15.2 million to evaluate the financial feasibility of privatization projects at over fifty DOD installations, create complex loan and loan administration documents, provide expert consultant help to assist in the development and evaluation of solicitations, and for office overhead. In October 1998, the Office of the Secretary of Defense devolved responsibility for project development and execution to the Military Services. Considerable consultant support is still required for development of project monitoring guidelines with specific attention on loan portfolio oversight. However the level of consultant support funding was reduced to \$2 million for FY 1999 and an additional \$2 million appropriation to the FHIF for continued consultant support is requested for FY 2000. Unobligated balances from prior appropriations to the FHIF of \$20.4 million have been earmarked to facilitate future projects currently being prepared for solicitation. These include projects at Robins AFB, Georgia; Elmendorf AFB, Alaska; and Fort Stewart, Georgia.

Before projects are approved for privatization, the Department requires leveraging of existing family housing construction funds by a ratio of at least 3:1. In FY 1998 we had over 1,000 units of privatized family housing completed or under way. We expect to privatize an additional 4,500 units in FY 1999. The Department's goal for FY 2000 is to have at least 30,000 units in development.

Since devolution of the program to the military services, the Department has notified Congress and released requests for proposals at MCB Camp Pendleton, CA; Robins AFB, GA; NAVSTA Everett II, WA; and NAS Kingsville II, TX for a total of 4,609 units. In addition, Congress has been notified of two Navy regional projects for South Texas and San Diego and projects for NAS Lemoore, CA; NAVSTA New Orleans, LA; NAS Brunswick, ME; Ft. Hood, TX; and Elmendorf AFB, AK for a total of 21,311 units. As the Department continues to make positive strides, we expect to request permanent legislation next year which will incorporate lessons learned and which will be justified by the projects we expect to complete this year.

For the first time, we are requesting a direct appropriation to the FHIF for specific privatization projects. Previous budgets included potential privatization candidates in the family housing construction accounts and the funds would be transferred to the FHIF when projects were ready for award. However, pursuant to congressional direction, the Department has identified privatization initiatives in the FY 2000 budget. As a result, \$76.7 million for the 7 known privatization candidates in the FY 2000 family housing program is requested in the FHIF. The 7 locations are:

	<u>(\$ in Thousands)</u>	<u>Privatization Units</u>
Fort Lewis, WA	9,000	3,590
NAS Lemoore, CA	20,188	1,590
MCRD Parris Island, SC	4,932	231
MCAS Cherry Point, NC	22,036	1,371
NTC Great Lakes, IL	14,400	2,680
NICP Philadelphia, PA	200	301
Tinker AFB, OK	<u>6,000</u>	<u>730</u>
Total	<u>\$76,756</u>	<u>10,493</u>

By contrast, this \$76.7 million would have provided only about 800 units using traditional methods.

The following exhibits display the planned time frame and funding source for execution of each privatization effort, including those shown above.

Army Family Housing Privatization

<u>Year of Notification</u>	<u>Installation</u>	<u># of Units</u>	<u>Notify Congress (Solicitation)</u>	<u>Notify Congress (Selection)</u>	<u>Deal Closing/ Contract Award</u>	<u>Funding</u>
FY 98	Ft Carson	2,663	Sep-96**	Jul-99	Jul-99	\$15.8M FY95 AFHC
FY 99	Ft Hood	5,482	Dec-98**	Dec-99	Feb-00	\$18.6M FY98 AFHC \$21.6M FY99 AFHC
FY 99	Ft Lewis	3,590	Feb-99	Feb-00	Apr-00	\$9.0M FY00 FHIF
FY 99	Ft Stewart/Hunter AAF	3,159	Apr-99	Apr-00	Jun-00	TBD
FY 99	Ft Meade	2,862	Jun-99	Jun-00	Aug-00	\$7.9M FY98 AFHC
FY 99	Ft Bragg	4,744	Aug-99	Aug-00	Oct-00	\$16.6M FY98 AFHC \$18.8M FY99 AFHC
FY 00	Ft Campbell	4,240	Feb-00	Feb-01	Apr-01	\$8.8M FY99 AFHC \$20.0M FY01 FHIF
FY 00	Hampton Roads *	1,302	Oct-99	Oct-00	Dec-00	TBD
FY 00	Presidio of Monterey	1,676	Dec-99	Dec-00	Feb-01	TBD
FY 00	Ft Sam Houston	992	Apr-00	Apr-01	Jun-01	TBD
FY 00	Ft Polk	3,895	Jun-00	Jun-01	Aug-01	TBD
FY 00	Ft Gordon	876	Aug-00	Aug-01	Oct-01	TBD

* Hampton Roads includes Forts Eustis, Monroe and Story

** Actual Dates

Note: AFHC = Army Family Housing Construction Funds

FHIF = Family Housing Improvement Fund

Navy Family Housing Privatization

<u>Year of Notification</u>	<u>Installation</u>	<u># of Units</u>	<u>Notify Congress (Solicitation)</u>	<u>Notify Congress (Selection)</u>	<u>Deal Closing Contract Award</u>	<u>Funding</u>
FY 1999	Everett II	300	Oct 1998**	Feb 2000	Mar 2000	\$15M-FY97 FHNC
FY 1999	Everett I DLP MOD	0	Oct 1998**	Feb 1999	Mar1999	\$6M - FY99 Paine Field (Sec. 125 FY99 MilCon Approps. Act)
FY 1999	Kingsville II	150	Oct 1998**	Nov 1999	Dec 1999	\$7.6M-FY97 FHNC
FY 1999	Kingsville I DLP MOD	0	Oct 1998**	Mar 1999	Apr 1999	None
FY 1999	South Texas*	812	Nov 1998**	Jan 2000	Feb 2000	\$41.5M (\$11.7M-FY97 FHNC; \$22.3M-FY98 FHNC; \$7.6M-FY99 FHIMP)
FY 1999	San Diego*	11,020	Nov 1998**	Mar 2000	Apr 2000	\$47.2M (\$13.5M-FY98 FHNC; \$28.9M-FY98 FHNC,\$4.8M-FY99 FHIMP)
FY 1999	Hampton Roads	4,357	Feb 1999	May 2000	Jun 2000	\$34.5M-FY96 FHNC
FY 1999	Lemoore*	1,590	Nov 1998**	Oct 1999	Nov 1999	\$22.3M (\$2.1M-FY99 FHIMP; \$20.2M-FY00 FHIF)
FY 1999	Brunswick*	967	Jan 1999**	Nov 1999	Dec 1999	\$10.9M-FY97 FHNC
FY 1999	New Orleans*	613	Dec 1998**	Nov 1999	Dec 1999	\$11.9M-FY98 FHNC
FY 1999	Jacksonville/Mayport	1,752	Feb 1999	May 2000	Jun 2000	\$20.7M (\$10M-FY97 FHNC; \$10.7M-FHIMP)
FY 1999	Annapolis	420	May 1999	May 2000	Jun 2000	\$8.6M-FY99-FHIMP
FY 1999	Great Lakes	2,680	Jun 1999	Jun 2000	Jul 2000	\$45.6M (\$18.7M-FY98 FHIMP; \$12.5M-FY99 FHIMP; \$14.4.M-FY00 FHIF)
FY 1999	Newport	1,437	Sep 1999	Dec 2000	Jan 2001	\$23.3M (\$8.8M-FY96 FHIMP; \$14.5M-FY98 FHIMP)
FY 1999	Pacific Northwest	4,191	Apr 1999	Sep 2000	Oct 2000	\$47.2M (\$16.0M-FY98 FHNC; \$21.6M-FY98 FHIMP; \$9.7M-FY99-FHIMP)
FY 1999	Meridian	518	Feb 1999	Feb 2000	Mar 2000	\$6.6M-FY97 FHIMP

<u>Year of Notification</u>	<u>Installation</u>	<u># of Units</u>	<u>Notify Congress (Solicitation)</u>	<u>Notify Congress (Selection)</u>	<u>Deal Closing Contract Award</u>	<u>Funding</u>
FY 2000	New London	2,525	Apr 2000	Apr 2001	May 2001	\$6.3M-FY99 FHIMP
FY 2000	Earle	156	Oct 2000	Oct 2001	Nov 2001	\$6.7M-FY99 FHIMP
FY 2000	Philadelphia	301	TBD	TBD	TBD	\$0.2M-FY00 FHIF

* These projects have been placed on hold by the HAC MILCON Subcommittee, pending further briefings with HAC. Future milestones may be delayed.

**Actual dates.

Note:

FHNC = Family Housing Construction Funds

FHIMP = Family Housing Improvements Funds

FHIF = Family Housing Improvement Fund

Marine Corps Family Housing Privatization

<u>Year of Notification</u>	<u>Installation</u>	<u># of Units</u>	<u>Notify Congress (Solicitation)</u>	<u>Notify Congress (Selection)</u>	<u>Deal Closing Contract Award</u>	<u>Funding</u>
FY-98	MCLB Albany, GA	114	Jan. 98**	Feb. 99	Apr. 99	None
FY-98	MCB Camp Pendleton, CA	712	Oct. 98**	Jun. 99	Jul. 99	\$20.0M-FY96 FHNC
FY-99	Chicopee, MA	194	Feb. 99	Jun. 99	Jul. 99	None
FY-99	Stewart, NY	150	Feb. 99	Aug. 99	Sep. 99	None
FY-99	MCAGCC 29 Palms, CA	1,704	Feb. 99	Oct. 99	Dec. 99	\$23.9M-FY98 FHNC
FY-99	MCAS Beaufort, SC & MCRD Parris Island, SC	684	Feb. 99	Sep. 99	Oct. 99	\$18.9M (\$14.0M-FY97 FHNC; \$4.9M-FY00 FHIF)
FY-99	MCB Camp Lejeune, NC	3,079	Feb. 99	Jun. 00	Jul. 00	\$27.5M (\$10.1M-FY97 FHNC; \$17.4M-FY99 FHIMP)
FY-99	MCAS Cherry Point, NC	1,371	Jun. 99	Aug. 00	Sep. 00	\$41.5M (\$6M-FY98; \$13.5M-FY99 FHIMP; \$22.0-FY00 FHIF)
FY-99	MCB Quantico, VA	543	Sep. 99	Dec. 00	Feb. 01	None

**Actual dates.

Note:

- FHNC = Family Housing Construction Funds
- FHIMP = Family Housing Improvements Funds
- FHIF = Family Housing Improvement Fund

Air Force Family Housing Privatization

<u>Year of Notification</u>	<u>Installation</u>	<u># of Units</u>	<u>Notify Congress (Solicitation)</u>	<u>Notify Congress (Selection)</u>	<u>Deal Closing/ Contract Award</u>	<u>Funding</u>
FY98	Lackland, TX	420	Sep 96**	May 98	Aug 98	\$6.2, FY96 AFFHC \$0.8, FY97 AFFHC
FY98	Robins, GA	670	Oct 98**	Aug 99	Sep 99	\$6.8, FY98 AFFHC \$5.2, FHIF
FY99	Elmendorf, AK	828	Dec 98**	Oct 99	Nov 99	\$12.5, FY98 AFFHC \$11.0, FHIF
FY99	Kirtland, NM	1890	Jun 99	Nov 99	Jan 00	\$5.5, FY97 AFFHC \$20.9, FY98 AFFHC \$6.4, FY99 AFFHC
FY99	Dyess, TX	402	May 99	May 00	Jul 00	\$10.5, FY98 AFFHC \$9.4, FY99 AFFHC
FY99	Mt Home, MT	1525	Jun 99	Jun 00	Aug 00	\$11.0, FY98 AFFHC \$10.7, FHIF
FY99	Patrick, FL	999	Jun 99	May 00	Jul 00	\$9.7, FY99 AFFHC
FY99	Dover, DE	525	Jul 99	Jun 00	Jul 00	\$9.0, FY99 AFFHC
FY99	Hurlburt, FL	573	Aug 99	Jun 00	Aug 00	N/A
FY00	Wright-Patterson, OH	1200	Dec 99	Sep 00	Nov 00	\$5.6, FY99 AFFHC
FY00	McGuire, NJ	999	Nov 99	Aug 00	Oct 00	N/A
FY00	Tinker, OK	730	Jun 00	Jan 01	Sep 01	\$6.0, FY00 FHIF \$8.3, FY01 FHIF

Note: AFFHC = Air Force Family Housing Construction Funds

FHIF = Family Housing Improvement Fund

** Actual Dates

**APPROPRIATION LANGUAGE
FAMILY HOUSING IMPROVEMENT FUND
FY 2000**

For the Department of Defense Family Housing Improvement Fund, \$78,756,000, to remain available until expended for family housing initiatives pursuant to 10 U.S.C. 2883, pertaining to alternative means of acquiring and improving military family housing and supporting facilities.